

110TH CONGRESS
1ST SESSION

S. 1315

To amend title 38, United States Code, to enhance life insurance benefits for disabled veterans, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 7, 2007

Mr. AKAKA introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to enhance life insurance benefits for disabled veterans, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Disabled Veterans In-
5 surance Improvement Act of 2007”.

6 **SEC. 2. ENHANCEMENT OF VETERANS’ MORTGAGE LIFE IN-**
7 **SURANCE.**

8 Section 2106(b) of title 38, United States Code, is
9 amended by striking “\$90,000” and inserting
10 “\$200,000”.

1 **SEC. 3. LEVEL-PREMIUM TERM LIFE INSURANCE FOR VET-**
 2 **ERANS WITH SERVICE-CONNECTED DISABIL-**
 3 **ITIES.**

4 (a) IN GENERAL.—Chapter 19 of title 38, United
 5 States Code, is amended by inserting after section 1922A
 6 the following new section:

7 **“§ 1922B. Level-premium term life insurance for vet-**
 8 **erans with service-connected disabilities**

9 “(a) IN GENERAL.—In accordance with the provi-
 10 sions of this section, the Secretary shall grant insurance
 11 to each eligible veteran who seeks such insurance against
 12 the death of such veteran occurring while such insurance
 13 is in force.

14 “(b) ELIGIBLE VETERANS.—For purposes of this
 15 section, an eligible veteran is any veteran less than 65
 16 years of age who has a service-connected disability.

17 “(c) AMOUNT OF INSURANCE.—(1) Subject to para-
 18 graph (2), the amount of insurance granted an eligible vet-
 19 eran under this section shall be \$50,000 or such lesser
 20 amount as the veteran shall elect. The amount of insur-
 21 ance so elected shall be evenly divisible by \$10,000.

22 “(2) The aggregate amount of insurance of an eligible
 23 veteran under this section, section 1922 of this title, and
 24 section 1922A of this title may not exceed \$50,000.

25 “(d) REDUCED AMOUNT FOR VETERANS AGE 70 OR
 26 OLDER.—In the case of a veteran insured under this sec-

1 tion who turns age 70, the amount of insurance of such
 2 veteran under this section after the date such veteran
 3 turns age 70 shall be the amount equal to 20 percent of
 4 the amount of insurance of the veteran under this section
 5 as of the day before such date.

6 “(e) PREMIUMS.—(1) Premium rates for insurance
 7 under this section shall be based on the 2001 Commis-
 8 sioners Standard Ordinary Basic Table of Mortality and
 9 interest at the rate of 4.5 per centum per annum.

10 “(2) The amount of the premium charged a veteran
 11 for insurance under this section may not increase while
 12 such insurance is in force for such veteran.

13 “(3) The Secretary may not charge a premium for
 14 insurance under this section for a veteran as follows:

15 “(A) A veteran who has a service-connected dis-
 16 ability rated as total and is eligible for a waiver of
 17 premiums under section 1912 of this title.

18 “(B) A veteran who is 70 years of age or older.

19 “(4) Insurance granted under this section shall be on
 20 a nonparticipating basis and all premiums and other col-
 21 lections therefor shall be credited directly to a revolving
 22 fund in the Treasury of the United States, and any pay-
 23 ments on such insurance shall be made directly from such
 24 fund. Appropriations to such fund are hereby authorized.

1 “(5) Administrative costs to the Government for the
 2 costs of the program of insurance under this section shall
 3 be paid from premiums credited to the fund under para-
 4 graph (4), and payments for claims against the fund
 5 under paragraph (4) for amounts in excess of amounts
 6 credited to such fund under that paragraph (after such
 7 administrative costs have been paid) shall be paid from
 8 appropriations to the fund.

9 “(f) APPLICATION REQUIRED.—An eligible veteran
 10 seeking insurance under this section shall file with the
 11 Secretary an application therefor. Such application shall
 12 be filed not later than the earlier of—

13 “(1) the end of the two-year period beginning
 14 on the date on which the Secretary notifies the vet-
 15 eran that the veteran has a service-connected dis-
 16 ability; and

17 “(2) the end of the 10-year period beginning on
 18 the date of the separation of the veteran from the
 19 Armed Forces, whichever is earlier.”.

20 (b) CLERICAL AMENDMENT.—The table of sections
 21 at the beginning of chapter 19 of such title is amended
 22 by inserting after the item related to section 1922A the
 23 following new item:

“1922B. Level-premium term life insurance for veterans with service-connected disabilities.”.

1 (c) EXCHANGE OF SERVICE DISABLED VETERANS'
 2 INSURANCE.—During the one-year period beginning on
 3 the date of the enactment of this Act, any veteran insured
 4 under section 1922 of title 38, United States Code, who
 5 is eligible for insurance under section 1922B of title 38,
 6 United States Code (as added by subsection (a)), may ex-
 7 change insurance coverage under such section 1922 for
 8 insurance coverage under such section 1922B.

9 **SEC. 4. ADMINISTRATIVE COSTS OF SERVICE DISABLED**
 10 **VETERANS' INSURANCE.**

11 Section 1922(a) of title 38, United States Code, is
 12 amended by striking “date of such insurance” and insert-
 13 ing “date of such insurance; (5) administrative costs to
 14 the Government for the costs of the program of insurance
 15 under this section shall be paid from premiums credited
 16 to the fund under paragraph (4), and payments for claims
 17 against the fund under paragraph (4) for amounts in ex-
 18 cess of amounts credited to such fund under that para-
 19 graph (after such administrative costs have been paid)
 20 shall be paid from appropriations to the fund”.

21 **SEC. 5. MODIFICATION OF SERVICEMEMBERS' GROUP LIFE**
 22 **INSURANCE COVERAGE.**

23 (a) EXPANSION OF SERVICEMEMBERS' GROUP LIFE
 24 INSURANCE TO INCLUDE CERTAIN MEMBERS OF INDIV-
 25 IDUAL READY RESERVE.—

1 (1) IN GENERAL.—Paragraph (1)(C) of section
2 1967(a) of title 38, United States Code, is amended
3 by striking “section 1965(5)(B) of this title” and in-
4 serting “subparagraph (B) or (C) of section 1965(5)
5 of this title”.

6 (2) CONFORMING AMENDMENT.—Paragraph
7 (5)(C) of such section 1967(a) is amended by strik-
8 ing “section 1965(5)(B) of this title” and inserting
9 “subparagraph (B) or (C) of section 1965(5) of this
10 title”.

11 (b) REDUCTION IN PERIOD OF COVERAGE FOR DE-
12 PENDENTS AFTER MEMBER SEPARATES.—Section
13 1968(a)(5)(B)(ii) of such title is amended by striking
14 “120 days after”.

○